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ment, and the investors, inexperienced in farming and unequipped to deal with adverse weather, lack of water, and heavy insect infestation, obtained low yields. Many lost their own capital and borrowed money. 454 241

Some investors, who realize that their only chance of coming out on their original investment is to continue their operations and even to make additional investments, plan to expand operations. Future investment naturally will depend on current earnings which will be determined by production and world market prices.

Farmers who may be in a position to continue investing in agricultural development out of their own capital, however, will be a small minority. The need for credit will be great.

Limited credit usually is given to tenants by the landlords during the spring and summer, but most farmers need more. In the past, additional production credit has been extended largely by the merchants and moneylenders at rates from 15 to 50 per cent annually. A few large landlords borrow money from banks at rates as low as 7 and 8 per cent, but only against excellent securities. Interest rates to the tenants who have less collateral are usually higher. Merchants are discontinuing the practice of buying cotton before the crop is made at prices from 50 to 70 per cent of the future market price because in many cases the farmers do not make enough cotton to fulfill their contract. 452 426 [455]

The government has sought to meet the need for credit by creating an agricultural bank, but the capital is limited and size and volume of loans are small. In 1951, for instance, the bank loaned a total of only $5 million to 57,000 cultivators. Private groups are said to have loaned as much on cotton in the Jezira alone. 652 452

LAND TENURE

Land available for cultivation is plentiful, but confused titles, excessive concentration of ownership, and insufficient or restricted use of the state domains hamper development. 423

The government has a major interest in agriculture and the tenure problem. The Ministry of Justice reports that 23 per cent of the farm land is owned by the state and in some of the larger farming areas the percentage runs as high as 69 per cent. There is also a heavy concentration of land in large units owned and operated by a few wealthy landlords, with 29 per cent of the farm land in farms over 250 acres. Most of the large farms in the old agricultural areas are operated on a tenancy system, but many of the farms now being established in the new areas of the Jezira are operated on a day-wage basis with mechanical equipment. This is especially true of wheat farms. A strong middle class of farmers owns about one-third of the land in farms from 25 to 250 acres, and many of them cultivate their land with the help of tenants. Only 15 per cent of the farm land is owned in lots less than 25 acres. 423 471 241 [427] [464]

In an effort to encourage landownership, stability of tenure, and an interest in improvement of the land, a law was passed recently under which state lands are to be sold on long-term, easy-payment plans to landless farmers with a limit of 123 acres to a farmer. The plan was designed especially to settle the nomads. The principal areas concerned are the state domains in the valleys of the Euphrates and Kabur Rivers, which were un- 425 471 311 [166]